

For Immediate Release

Shinsei Bank, Limited
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Shinsei Bank Announces Securitization Program for Medical Receivables

- New funding tool for small-medium sized hospitals and clinics -

Tokyo (Friday, October 1, 2004) – Shinsei Bank, Limited (“Shinsei Bank”) announced today the launch of an innovative funding program for hospitals and clinics involving the securitization of their medical receivables. This program will be operated in partnership with medical consulting companies, I’rom Co., Ltd. (Shinagawa-ku, Tokyo) and Nihon Medical Partners Co., Ltd. (Chiyoda-ku, Tokyo), starting from November. Until now, this type of funding has only been available to large hospitals; Shinsei’s program makes this important funding tool available to small-medium sized hospitals and clinics.

In Shinsei’s program, a trust bank takes over hospitals’ medical receivables from health insurance programs, and issues beneficial interest in trust. Shinsei Bank will purchase the beneficial interest certificates and sell them to investors after structuring the receivables into rated financial instruments. For up to three years, hospitals can receive fixed-rate funding worth up to approximately 80% equivalent of three months medical fees based on their monthly origination capacity determined by historical records. (See the attached scheme.)

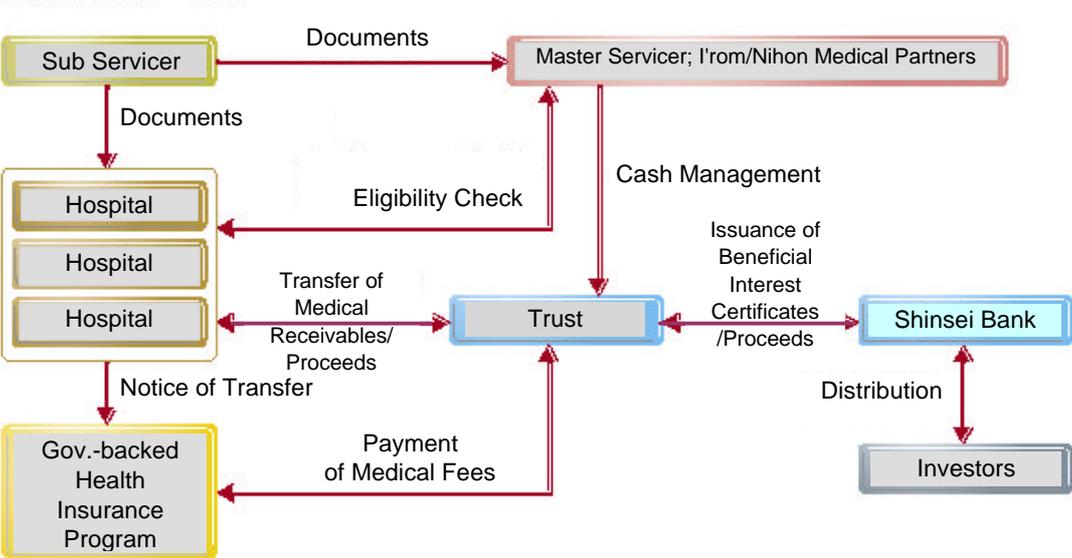
Medical receivables are high quality assets because they are paid by government-backed health insurance programs through The Social Insurance Medical Fee Payment Fund and The Federation of National Health Insurance Organization. While major hospitals have been able to use securitization as a funding tool, small-medium hospitals and clinics could not do so due to the lack of amount of assets needed. Shinsei’s program has found a way to make securitization available to small-medium institutions. Shinsei Bank uses sophisticated statistical risk analysis to analyze the diversified risks from numerous hospitals and clinics, which enables the Bank to pool assets from various organizations into a single securitization.

In addition to widening the range of funding tools available to small-medium sized medical organizations, Shinsei’s program provides a way for these institutions to have stable long-term funding at fixed costs. Furthermore, these hospitals and clinics can improve their balance sheets by off-balancing their receivables and corresponding external debt. The major eligibility criterion of this program is “any medical organization with sound management”, which includes both organizations run by corporations and individuals. In terms of size, small-medium institutions are the major target of this program.

Shinsei Bank leverages its sophisticated risk management, strong balance sheet, full-line securitization capabilities and extensive network to provide this program.

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 29 branches throughout Japan, Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model. News and other information about Shinsei Bank are available at <http://www.shinseibank.com/english/index.html>.

At Time of Commencement



Operational Period

